

Consolidated Financial Summary(Japanese GAAP) for the Three Months Ended June 30, 2013

August 12, 2013

Company name: Sony Financial Holdings Inc.
(URL: http://www.sonyfh.co.jp/web/index_en.html)
Stock exchange listing: Tokyo Stock Exchange (code number: 8729)
Representative: Katsumi Ihara, President and Representative Director
Inquiries: Masaaki Konoo, General Manager—Corporate Communications & Investor Relations Dept.
(Fractional amounts of less than ¥1 million are discarded.)

1. Consolidated financial results for the three months ended June 30, 2013

(1) Operating results

	Ordinary Revenues		Ordinary Profit		Net Income	
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change
For the three months ended June 30, 2013	312,809	12.8	17,025	10.4	9,647	0.4
For the three months ended June 30, 2012	277,239	8.0	15,424	(20.3)	9,613	(11.7)

Note: Comprehensive Income: For the three months ended June 30, 2013: ¥(13,343) million: —%
For the three months ended June 30, 2012: ¥ 17,714 million: (24.4)%

	Net Income per Share	Net Income per Share (Fully Diluted)
	Yen	Yen
For the three months ended June 30, 2013	22.18	—
For the three months ended June 30, 2012	22.10	—

(2) Financial conditions

	Total Assets	Total Net Assets	Net Asset Ratio
	Millions of yen	Millions of yen	%
As of June 30, 2013	8,211,338	411,226	5.0
As of March 31, 2013	8,096,164	435,444	5.4

Note: Shareholders' equity: As of June 30, 2013 : ¥409,893 million
As of March 31, 2013: ¥434,105 million

2. Dividends

Record date	Dividend per Share				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual Total
	Yen	Yen	Yen	Yen	Yen
For the year ended March 31, 2013	—	0.00	—	25.00	25.00
For the year ending March 31, 2014	—				
For the year ending March 31, 2014 (forecast)		0.00	—	30.00	30.00

Note: Revisions of dividend forecast since the most recent public announcement: Yes
SFH revised its year-end per-share dividend forecast to ¥30 for the year ending March 31, 2014, up ¥5 from the previous forecast of ¥25. For further information, please see page 3.

3. Forecast of consolidated financial results for the year ending March 31, 2014

(Percentage figures represent changes from the results of the previous fiscal year.)

	Ordinary Revenues		Ordinary Profit		Net Income		Net Income per Share
	Millions of yen	% change	Millions of yen	% change	Millions of yen	% change	Yen
For the year ending March 31, 2014	1,222,000	(2.9)	69,000	(12.9)	37,000	(17.9)	85.06

4. Notes

(1) Changes in scope of consolidation during the period under review (changes in specified subsidiaries accompanying changes in scope of consolidation): None

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements

(a) Changes in accounting policies resulting from the revision of the accounting standards and other regulations: Yes

(b) Changes in accounting policies due to other reasons: None

(c) Changes in accounting estimates: None

(d) Restatements of the consolidated financial statements: None

Notes: For details, please refer to the section entitled "Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements" under "II. Notes Regarding Summary Information" on page 4 of the attachment.

(4) Number of shares outstanding (common stock)

(a) Number of shares outstanding (including treasury shares)

As of June 30, 2013: 435,000,000 shares

As of March 31, 2013: 435,000,000 shares

(b) Number of treasury shares

As of June 30, 2013: 1 shares

As of March 31, 2013: — shares

(c) Weighted-average number of shares

For the three months ended June 30, 2013: 434,999,999 shares

For the three months ended June 30, 2012: 435,000,000 shares

Status of quarterly review procedures

Quarterly review procedures are completed by PricewaterhouseCoopers Aarata in accordance with Article 193-2-1 of the Financial Instruments and Exchange Law of Japan. However, quarterly consolidated financial statements in this document are not subject to such quarterly review procedures.

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* The Conference Call for explaining the Sony Financial Group financial results will be held at 16:00 (Tokyo), August 12, 2013.

We are sorry for any inconvenience that our Conference Call will be held only in Japanese.

We will upload the Presentation Materials with speech text on August 12, 2013 after 15:00, and its Q&A summary at a later date on Earning Releases and Presentation Materials page on our website:

http://www.sonyfh.co.jp/web/en/financial_info_e/results.html

* On August 12, 2013, SFH's significant subsidiaries: Sony Life Insurance Co., Ltd. (Sony Life), Sony Assurance Inc. (Sony Assurance) and Sony Bank Inc. (Sony Bank) will announce their financial results for the three months ended June 30, 2013. SFH prepared an English-language summary of those Japanese announcements made by the above subsidiaries, solely for convenience of non-Japanese readers.

I. Qualitative Information and Financial Statements

1. Qualitative Information on Consolidated Operating Performance

During the three months ended June 30, 2013 (April 1, 2013 to June 30, 2013), **consolidated ordinary revenues** increased 12.8% compared with the same period of the previous fiscal year, to ¥312.8 billion, owing to increases in ordinary revenues from the all businesses: life insurance, non-life insurance and banking. **Consolidated ordinary profit** increased 10.4% year on year, to ¥17.0 billion. By business segment, ordinary profit from the non-life insurance and banking businesses increased year on year, whereas ordinary profit from the life insurance business remained at the same levels as during the same period of the previous fiscal year.

After accounting for extraordinary losses, provision for reserve for policyholders' dividends, income taxes, **consolidated net income** for the three months ended June 30, 2013 was up 0.4% year on year, to ¥9.6 billion. This is mainly because the banking business recorded profit for the same period of the previous fiscal year, due to the tax effect of recording deferred tax assets on the transfer of all shares of Sony Bank Securities, a wholly owned subsidiary of Sony Bank.

Segment Information by Business

< Life insurance business >

In the life insurance business, insurance premiums increased 1.6% compared with the same period of the previous fiscal year, to ¥221.3 billion, owing to a steady growth in policy amount in force, despite a decrease in lump-sum payment insurance premiums, affected by the revision of Sony Life's insurance premium rates on some of its products in April 2013. Investment income increased 100.4% year on year, to ¥55.8 billion, due to higher gains on separate account, net resulting from the market recovery. As a result, ordinary revenues increased 13.4% year on year, to ¥280.9 billion. Ordinary profit decreased 2.9% year on year, to ¥13.3 billion. This is because the positive effects stemming from a decrease in provision of policy reserves for minimum guarantees for variable life insurance and a recovery from negative spread into positive at Sony Life were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.

< Non-life insurance business >

In the non-life insurance business, net premiums written increased 5.9% compared with the same period of the previous fiscal year, to ¥22.7 billion, due to an increase in the number of insurance policies in force for its mainstay automobile insurance. Consequently, ordinary revenues rose 6.2% year on year, to ¥23.0 billion. Ordinary profit increased 84.9% year on year, to ¥1.3 billion, due mainly to a decline in the loss ratio led by a lower car accident ratio and the revision of premium rates for automobile insurance, in addition to the increase in ordinary revenues.

< Banking business >

In the banking business, ordinary revenues increased 12.5% compared with the same period of the previous fiscal year, to ¥9.4 billion, due to a rise in interest income on loans led by the growing balance of mortgage loans and higher gains on foreign exchange transactions stemming from customers' active foreign currency trading. Ordinary profit increased 154.1% year on year, to ¥2.2 billion, due to an increase in profit stemming from improved investment performance, including valuation gains on derivatives, net held for hedging interest rate risk on mortgage loans and other assets.

Ordinary Revenues

(Millions of yen)

	For the three months ended June 30, 2012	For the three months ended June 30, 2013	Change (%)
Life insurance business	247,671	280,945	13.4
Non-life insurance business	21,751	23,091	6.2
Banking business	8,371	9,416	12.5
Subtotal	277,794	313,454	12.8
Intersegment adjustments	(554)	(644)	-
Consolidated	277,239	312,809	12.8

Ordinary Profit

(Millions of yen)

	For the three months ended June 30, 2012	For the three months ended June 30, 2013	Change (%)
Life insurance business	13,770	13,370	(2.9)
Non-life insurance business	725	1,342	84.9
Banking business	886	2,252	154.1
Subtotal	15,382	16,965	10.3
Intersegment adjustments*	41	59	44.2
Consolidated	15,424	17,025	10.4

*Amounts in "Intersegment adjustments" of Ordinary profit's table are mainly from SFH.

2. Qualitative Information on Consolidated Financial Position

As of June 30, 2013, **total assets** amounted to ¥8,211.3 billion, up 1.4% from March 31, 2013. Among major components of assets, securities, mostly Japanese government bonds, amounted to ¥6,271.1 billion, up 1.1% from March 31, 2013. Loans came to ¥1,136.8 billion, up 1.9%, and monetary trusts amounted to ¥314.7 billion, down 3.0%.

Total liabilities were ¥7,800.1 billion, up 1.8% from March 31, 2013. Major components of liabilities included policy reserves and others of ¥5,752.7 billion, up 2.7%, and deposits totaled ¥1,848.9 billion, down 0.4%.

Total net assets were ¥411.2 billion, down 5.6% from March 31, 2013. This included net unrealized gains on other securities, net of taxes, which decreased ¥23.5 billion, to ¥64.8 billion, due mainly to a decline in bond price brought by a rise in interest rates.

3. Consolidated Financial Forecast for the Year Ending March 31, 2014

SFH's forecast of consolidated financial results for the fiscal year ending March 31, 2014 (April 1, 2013 to March 31, 2014), is unchanged from the forecast announced on May 9, 2013.

SFH will revise the year-end per-share dividend forecast for the year ending March 31, 2014, to ¥30, up ¥5 from the previous forecast of ¥25. SFH will strive to expand returns to shareholders based on its dividend policy that aims for steady increases in dividends in line with earnings growth over the medium to long term, while considering the business environment and financial soundness of its Group companies. Based on this policy, SFH has decided to consecutively increase the year-end dividend forecast for the year ending March 31, 2014, following the dividend increase for the prior fiscal year, after updating the recent business environment, business performance, and other factors.

Today, SFH separately released the Revision of Dividend Forecast for the Year Ending March 31, 2014.

II. Notes Regarding Summary Information

Changes in accounting policies, accounting estimates and restatements of the consolidated financial statements

Changes in accounting policies

(Application of Accounting Standards for Consolidated Financial Statements)

From the first quarter of the fiscal year under review, the Sony Financial Group has begun applying the “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 22 (March 25, 2011), the “Guidance on Disclosures about Certain Special Purpose Entities” (ASBJ Guidance No. 15, March 25, 2011), the “Guidance on Determining a Subsidiary and an Affiliate” (ASBJ Guidance No. 22, March 25, 2011) and the “Practical Solution on Application of the Control Criteria and Influence Criteria to Investment Associations” (ASBJ PITF No. 20, March 25, 2011).

This application has no impact on retained earnings at the beginning of the first quarter of the fiscal year under review.

III. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
Assets		
Cash and due from banks	¥104,142	¥191,659
Call loans and bills bought	107,088	24,840
Monetary trusts	324,305	314,729
Securities	6,202,333	6,271,194
Loans	1,115,330	1,136,853
Tangible fixed assets	73,217	70,992
Intangible fixed assets	38,232	36,991
Goodwill	258	238
Others	37,974	36,753
Due from reinsurers	110	250
Foreign exchanges	7,954	6,905
Other assets	107,345	133,210
Deferred tax assets	17,980	25,527
Reserve for possible loan losses	(1,877)	(1,818)
Total Assets	¥8,096,164	¥8,211,338

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
Liabilities		
Policy reserves and others	¥5,601,060	¥5,752,788
Reserve for outstanding claims	53,246	51,485
Policy reserves	5,543,540	5,697,007
Reserve for policyholders' dividends	4,273	4,295
Due to agencies	2,431	1,556
Due to reinsurers	600	479
Deposits	1,857,302	1,848,983
Call money and bills sold	10,000	6,000
Borrowed money	2,000	10,000
Foreign exchanges	87	115
Bonds payable	20,000	20,000
Other liabilities	106,365	98,842
Reserve for employees' bonuses	3,085	1,471
Reserve for employees' retirement benefits	24,216	24,911
Reserve for directors' retirement benefits	411	190
Special reserves	32,344	34,236
Reserve for price fluctuations	32,344	34,236
Deferred tax liabilities	275	—
Deferred tax liabilities on land revaluation	536	536
Total Liabilities	7,660,719	7,800,111
Net Assets		
Common stock	19,900	19,900
Capital surplus	195,277	195,277
Retained earnings	135,160	133,932
Treasury stock	—	(0)
Total shareholders' equity	350,337	349,110
Net unrealized gains on other securities, net of taxes	88,329	64,809
Net deferred losses on hedging instruments, net of taxes	(3,047)	(2,512)
Land revaluation, net of taxes	(1,513)	(1,513)
Total accumulated other comprehensive income	83,767	60,783
Minority interests	1,339	1,333
Total Net Assets	435,444	411,226
Total Liabilities and Net Assets	¥8,096,164	¥8,211,338

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	For the three months ended June 30, 2012	For the three months ended June 30, 2013
Ordinary Revenues	¥277,239	¥312,809
Ordinary Revenues from the Life Insurance Business	247,163	280,351
Income from insurance premiums	217,825	221,133
Investment income	27,775	55,757
(Interest income and dividends)	25,657	28,803
(Income from monetary trusts, net)	1,312	1,322
(Gains on sale of securities)	792	1
(Gains on derivatives, net)	—	11
(Gains on separate accounts, net)	—	25,608
Other ordinary income	1,562	3,460
Ordinary Revenues from the Non-life Insurance Business	21,751	23,091
Underwriting income	21,489	22,803
(Net premiums written)	21,481	22,741
(Interest and dividends on deposits of premiums)	8	8
(Reversal of reserve for outstanding claims)	—	52
Investment income	231	283
(Interest income and dividends)	226	292
(Gains on sale of securities)	13	—
(Transfer to interest and dividends on deposits of premiums)	(8)	(8)
Other ordinary income	30	4
Ordinary Revenues from the Banking Business	8,324	9,367
Interest income	6,255	6,589
(Interest income on loans)	3,381	3,514
(Interest income and dividends on securities)	2,855	3,054
Fees and commissions	1,385	1,201
Other operating income	645	1,537
(Gains on foreign exchange transactions, net)	434	778
Other ordinary income	37	39

(Continued)

(Millions of yen)

	For the three months ended June 30, 2012	For the three months ended June 30, 2013
Ordinary Expenses	¥261,815	¥295,784
Ordinary Expenses from the Life Insurance Business	233,736	267,405
Insurance claims and other payments	69,923	81,778
(Insurance claims)	17,284	18,767
(Annuity payments)	2,226	2,371
(Insurance benefits)	8,669	10,076
(Surrender payments)	40,668	49,184
(Other payments)	651	929
Provision for policy reserves and others	107,273	150,394
Provision for policy reserves	107,270	150,391
Interest portion of reserve for policyholders' dividends	3	3
Investment expenses	26,116	1,872
(Interest expenses)	12	9
(Losses on sale of securities)	98	—
(Devaluation losses on securities)	107	—
(Losses on separate accounts, net)	23,643	—
Operating expenses	26,141	27,946
Other ordinary expenses	4,281	5,414
Ordinary Expenses from the Non-life Insurance Business	20,869	21,585
Underwriting expenses	16,027	16,623
(Net losses paid)	11,461	11,745
(Loss adjustment expenses)	1,395	1,490
(Net commission and brokerage fees)	296	311
(Provision for reserve for outstanding losses)	372	—
(Provision for underwriting reserves)	2,501	3,075
Investment expenses	0	1
Operating, general and administrative expenses	4,839	4,958
Other ordinary expenses	1	1

(Continued)

(Millions of yen)

	For the three months ended June 30, 2012	For the three months ended June 30, 2013
Ordinary Expenses from the Banking Business	¥7,209	¥6,793
Interest expenses	2,196	1,554
(Interest expenses on deposits)	1,741	1,258
Fees and commissions	353	406
Other operating expenses	321	623
General and administrative expenses	4,241	4,180
Other ordinary expenses	96	28
Ordinary Profit	15,424	17,025
Extraordinary Losses	1,674	1,906
Losses on disposal of fixed assets	5	14
Impairment losses	76	—
Provision for special reserves	1,592	1,891
Provision for reserve for price fluctuations	1,592	1,891
Provision (Reversal) for Reserve for Policyholders' Dividends	(6)	138
Income Before Income Taxes	13,756	14,981
Income Taxes	4,090	5,339
- Current	4,891	2,707
- Deferred	(800)	2,631
Income Before Minority Interests	9,665	9,641
Minority interests in income (losses)	52	(6)
Net Income	¥9,613	¥9,647

**2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Comprehensive Income)**

(Millions of yen)

	For the three months ended June 30, 2012	For the three months ended June 30, 2013
Income Before Minority Interests	¥9,665	¥9,641
Other comprehensive income		
Net unrealized gains (losses) on other securities, net of taxes	8,362	(23,519)
Net deferred gains (losses) on hedging instruments, net of taxes	(502)	535
Foreign currency translation adjustments	189	—
Share of other comprehensive income of affiliates accounted for using equity method	0	0
Total other comprehensive income	8,049	(22,984)
Comprehensive income	¥17,714	¥(13,343)
(Details)		
Comprehensive income attributable to parent company	17,662	(13,337)
Comprehensive income attributable to minority interests	52	(6)

3. Segment Information

For the three months ended June 30, 2012

(1) Segment Information by reporting segment

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥247,163	¥21,751	¥8,324	¥277,239
Intersegment	507	—	47	554
Total	247,671	21,751	8,371	277,794
Segment profit	¥13,770	¥725	¥886	¥15,382

(2) Reconciliations of the totals of reportable segments' profit to quarterly consolidated statement of income

	Millions of yen
Totals of reporting segments	¥15,382
Adjustments for intersegment transactions	1
Amount not allocated to reportable segments	40
Ordinary profit in quarterly consolidated statement of income	¥15,424

(3) Information on impairment loss on fixed assets and goodwill by reporting segment

None

For the three months ended June 30, 2013

(1) Segment Information by reporting segment

	Millions of yen			
	Life insurance business	Non-life insurance business	Banking business	Total
Ordinary revenues				
External customers	¥280,351	¥23,091	¥9,367	¥312,809
Intersegment	594	0	49	644
Total	280,945	23,091	9,416	313,454
Segment profit	¥13,370	¥1,342	¥2,252	¥16,965

(2) Reconciliations of the totals of reportable segments' profit to quarterly consolidated statement of income

	Millions of yen
Totals of reporting segments	¥16,965
Adjustments for intersegment transactions	1
Amount not allocated to reportable segments	57
Ordinary profit in quarterly consolidated statement of income	¥17,025

(3) Information on impairment loss on fixed assets and goodwill by reporting segment

None

4. Subsequent Events

There were no applicable subsequent events.

SFH's consolidated results* are prepared in accordance with Japanese GAAP. As such, these figures differ in significant respects from the financial information reported by Sony Corporation, the SFH's parent company, which prepares its financial statements in accordance with U.S. GAAP.

* SFH's scope of consolidation includes Sony Financial Holdings Inc., Sony Life Insurance Co. Ltd., Sony Assurance Inc., Sony Bank Inc., and SmartLink Network, Inc. It also includes AEGON Sony Life Insurance Co., Ltd. and SA Reinsurance Ltd., as affiliated companies accounted for under the equity method. Sony Bank Securities Inc. and Sony Life Insurance (Philippines) Corporation were included in the scope of consolidation for the three months ended June 30, 2012. (April 1, 2012 to June 30, 2012).

On August 1, 2013, Sony Corporation announced its consolidated financial results for the first quarter ended June 30, 2013 (April 1, 2013 to June 30, 2013). Sony Financial Group companies constitute Sony Group's Financial Services segment for the three months ended June 30, 2013. However, the scope of Sony Group's Financial Services segment differs from the scope of SFH's consolidation for the period ended on or before March 31, 2013.

This Consolidated Financial Summary contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that pertain to future operating performance and that are not historic facts are forward-looking statements. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” and “possibility” that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of the Sony Financial Group, based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties, and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. The Sony Financial Group disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings. The information contained in this Consolidated Financial Summary does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

For inquiries:

Masaaki Konoo or Hiroko Hanakura
Corporate Communications & Investor Relations Dept.
Sony Financial Holdings Inc.
Telephone: +81-3-5785-1074
E-mail: press@sonyfh.co.jp

Website of Sony Financial Holdings Inc.

http://www.sonyfh.co.jp/web/index_en.html

IV. Attachment

Content of Presentation Material

**Consolidated Financial Results for the Three Months Ended June 30, 2013 and
Sony Life's Market Consistent Embedded Value as of June 30, 2013**

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Presentation Material

Consolidated Financial Results for the Three Months Ended June 30, 2013 and Sony Life's Market Consistent Embedded Value as of June 30, 2013

Sony Financial Holdings Inc.
August 12, 2013

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Disclaimers:

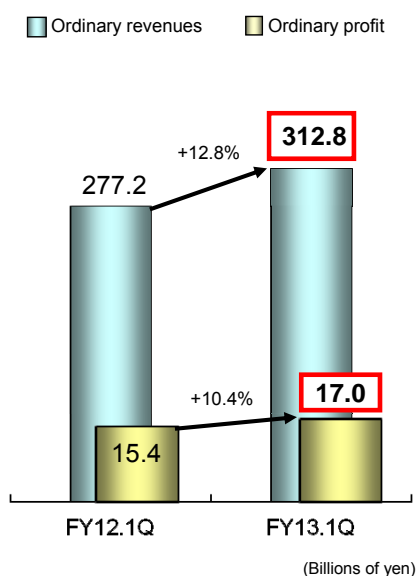
This presentation material contains statements concerning the current plans, expectations, strategies and beliefs of the Sony Financial Group. Any statements contained herein that pertain to future operating performance and that are not historic facts are forward-looking statements. Forward-looking statements may include—but are not limited to—words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “forecast,” “predict,” and “possibility” that describe future operating activities, business performance, events or conditions. Forward-looking statements, whether spoken or written, are based on judgments made by the management of the Sony financial Group, based on information that is currently available to it. As such, these forward-looking statements are subject to various risks and uncertainties, and actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, investors are cautioned not to place undue reliance on forward-looking statements. The Sony Financial Group disclaims any obligation to revise forward-looking statements in light of new information, future events or other findings. The information contained in this presentation does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

Consolidated Operating Results for the Three Months Ended June 30, 2013

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Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2013 (1)



		(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Life insurance business	Ordinary revenues		247.6	280.9	+33.2	+13.4%
	Ordinary profit		13.7	13.3	(0.4)	(2.9%)
Non-life insurance business	Ordinary revenues		21.7	23.0	+1.3	+6.2%
	Ordinary profit		0.7	1.3	+0.6	+84.9%
Banking business	Ordinary revenues		8.3	9.4	+1.0	+12.5%
	Ordinary profit		0.8	2.2	+1.3	+154.1%
Intersegment adjustments*	Ordinary revenues		(0.5)	(0.6)	(0.0)	—
	Ordinary profit		0.0	0.0	+0.0	+44.2%
Consolidated	Ordinary revenues		277.2	312.8	+35.5	+12.8%
	Ordinary profit		15.4	17.0	+1.6	+10.4%
	Net income		9.6	9.6	+0.0	+0.4%

		(Billions of yen)	13.3.31	13.6.30	Change from 13.3.31	
Consolidated	Total assets		8,096.1	8,211.3	+115.1	+1.4%
	Net assets		435.4	411.2	(24.2)	(5.6%)

*Ordinary profit in "Intersegment adjustments" is mainly from SFH.

*Comprehensive income: FY12.1Q: ¥17.7 billion, FY13.1Q: ¥(13.3) billion

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

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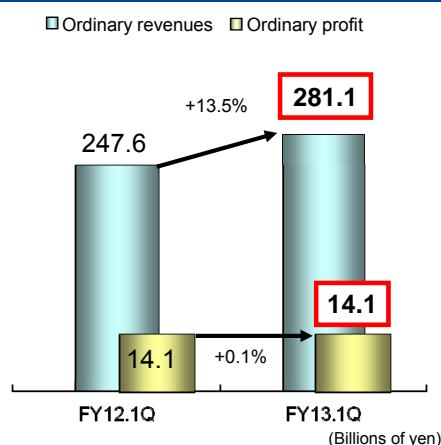
4

Highlights of Consolidated Operating Performance for the Three Months Ended June 30, 2013 (2)

- **Life Insurance Business:** Ordinary revenues increased year on year. This is because income from insurance premiums rose associated with steady growth in policy amount in force, despite a decrease in lump-sum payment insurance premiums, affected by the revision of Sony Life's insurance premium rates on some of its products in April 2013. An increase in investment income due to higher gains on separate account, net resulting from the market recovery also contributed to the rise in ordinary revenues. Ordinary profit remained at the same levels as during FY12.1Q. This is because the positive effects stemming from a decrease in provision of policy reserves for minimum guarantees for variable life insurance and a recovery from negative spread into positive at Sony Life were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.
- **Non-life Insurance Business:** Ordinary revenues increased year on year owing to an increase in net premiums written primarily for its mainstay automobile insurance. Ordinary profit increased year on year due mainly to a decline in the loss ratio led by a lower car accident ratio and the revision of premium rates for automobile insurance, in addition to the increase in ordinary revenues.
- **Banking Business:** Ordinary revenues increased year on year due to a rise in interest income on loans led by the growing balance of mortgage loans and higher gains on foreign exchange transactions stemming from customers' active foreign currency trading. Ordinary profit increased year on year due to an increase in profit stemming from improved investment performance, including valuation gains on derivatives, net held for hedging interest rate risk on mortgage loans and other assets.
- **Consolidated ordinary revenues** increased 12.8% year on year, to ¥312.8 billion, owing to increases in ordinary revenues from all businesses. **Consolidated ordinary profit** increased 10.4% year on year, to ¥17.0 billion. By business segment, ordinary profit from the non-life insurance and banking businesses increased, whereas ordinary profit from the life insurance business remained at the same levels. **Consolidated net income** was up 0.4% year on year, to ¥9.6 billion. This is mainly because the banking business recorded profit for FY12.1Q, due to the tax effect of recording deferred tax assets on the transfer of all shares of Sony Bank Securities, a wholly owned subsidiary of Sony Bank.

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Highlights of Operating Performance: Sony Life (Non-consolidated)



- ◆ Ordinary revenues increased year on year. Ordinary profit remained at the same levels.
- ◆ Income from insurance premiums rose slightly associated with a steady growth in policy amount in force, despite a decrease in lump-sum payment insurance premiums, affected by the revision of Sony Life's insurance premium rates on some of its products in April 2013.
- ◆ Investment income increased due mainly to higher gains on separate account, net resulting from the market recovery.
- ◆ Ordinary profit remained at the same levels. This is because the positive effects stemming from a decrease in provision of policy reserves for minimum guarantees for variable life insurance and a recovery from negative spread into positive at Sony Life were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Ordinary revenues	247.6	281.1	+33.5	+13.5%
Income from insurance premiums	217.9	221.3	+3.4	+1.6%
Investment income	27.8	55.8	+28.0	+100.7%
Interest income and dividends	25.7	28.9	+3.1	+12.4%
Income from monetary trusts, net	1.3	1.3	+0.0	+0.7%
Gains on sale of securities	0.7	0.0	(0.7)	(99.8%)
Gains on separate accounts, net	—	25.6	+25.6	—
Ordinary expenses	233.4	266.9	+33.5	+14.4%
Insurance claims and other payments	69.9	81.7	+11.8	+17.0%
Provision for policy reserves and others	107.2	150.3	+43.1	+40.2%
Investment expenses	26.1	1.9	(24.2)	(92.5%)
Losses on separate accounts, net	23.6	—	(23.6)	(100.0%)
Operating expenses	26.1	28.0	+1.8	+7.1%
Ordinary profit	14.1	14.1	+0.0	+0.1%
Net income	8.2	8.0	(0.1)	(1.9%)

(Billions of yen)	13.3.31	13.6.30	Change from 13.3.31	
Securities	5,211.5	5,381.0	+169.4	+3.3%
Policy reserves	5,472.9	5,623.3	+150.3	+2.7%
Total net assets	342.3	316.4	(25.8)	(7.6%)
Net unrealized gains on other securities, net of taxes	80.2	57.5	(22.7)	(28.3%)
Total assets	5,952.7	6,062.8	+110.1	+1.8%
Separate account assets	550.6	574.6	+23.9	+4.4%

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Overview of Performance: Sony Life (Non-consolidated)

(Billions of yen)	FY12.1Q	FY13.1Q	Change
New policy amount	1,066.5	1,033.3	(3.1%)
Lapse and surrender amount	497.5	456.4	(8.3%)
Lapse and surrender rate	1.38%	1.21%	(0.17pt)
Policy amount in force	36,432.0	38,160.2	+4.7%
Annualized premiums from new policies	17.4	16.8	(3.3%)
Of which, third-sector products	4.4	3.9	(12.1%)
Annualized premiums from insurance in force	643.0	677.2	+5.3%
Of which, third-sector products	151.5	164.1	+8.3%

(Billions of yen)	FY12.1Q	FY13.1Q	Change
Gains from investment, net (General account)	25.3	28.3	+11.8%
Core profit	14.7	15.3	+3.7%
Positive (Negative) spread	(0.5)	1.2	—

	13.3.31	13.6.30	Change from 13.3.31
Non-consolidated solvency margin ratio	2,281.8%	2,255.3%	(26.5pt)

<Reasons for changes>

- ◆ Decreased due to the revision of insurance premium rates.
- ◆ Decreased due to the lowering lapse and surrender rates mainly in term-life insurance.
- ◆ Decreased due to the revision of insurance premium rates. In the third-sector insurance products, sale of lump-sum payment whole life nursing-care insurance decreased.
- ◆ Core profit increased. This is because the positive effects stemming from a decrease in provision of policy reserves for minimum guarantees for variable life insurance and a recovery from negative spread into positive at Sony Life were offset by the negative impact from an increase in provision of policy reserves resulting from the revision of discount rate used for calculating policy reserves.
- ◆ Non-consolidated solvency margin ratio was down due to a decrease in net unrealized gains on other securities, net of taxes led by rising interest rates, but still stays at high levels.

Notes:

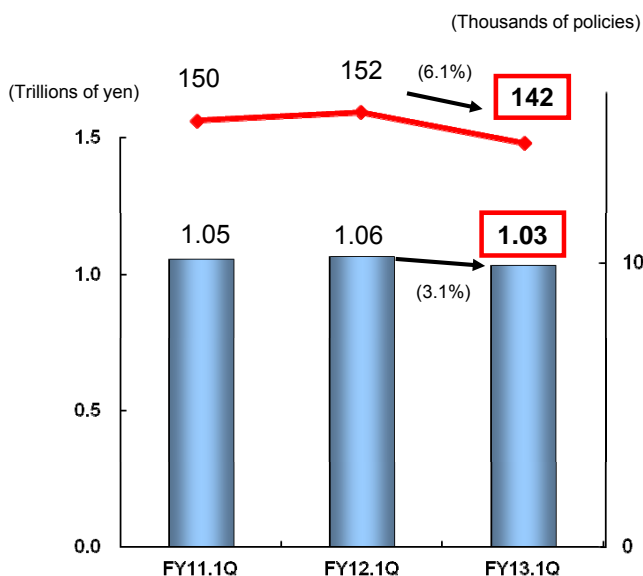
1. Figures for new policy amount, lapse and surrender amount, lapse and surrender rate, policy amount in force, annualized premiums from new policies and annualized premiums from insurance in force are calculated as the total of individual life insurance and individual annuities.
2. The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.
3. The plus amount in negative spread indicates positive spread.

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

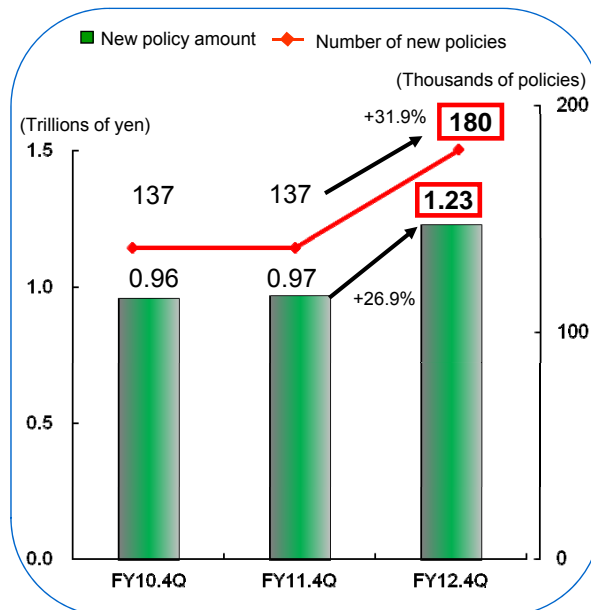
Sony Life Operating Performance (1)

Number and Amount of New Policies (Individual Life Insurance + Individual Annuities)

- New policy amount
- ◆ Number of new policies



[Reference] 4Q(3M) Number and Amount of New Policies



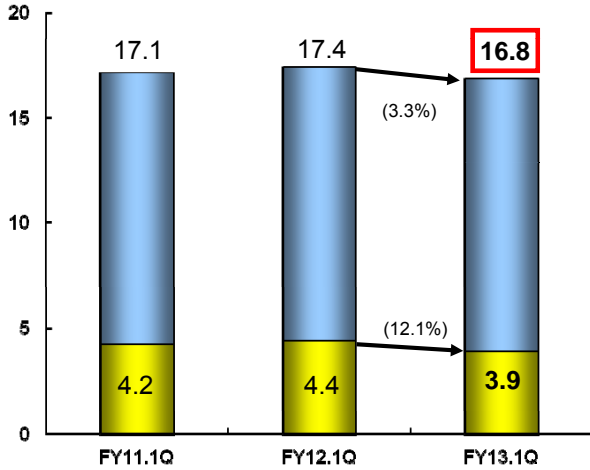
Line item amounts are truncated below ¥10 billion; numbers of policies are truncated below 1,000 policies; percentage change figures are rounded.

Sony Life Operating Performance (2)

Annualized Premiums from New Policies (Individual Life Insurance + Individual Annuities)

■ Annualized premiums from new policies ■ Of which, third-sector

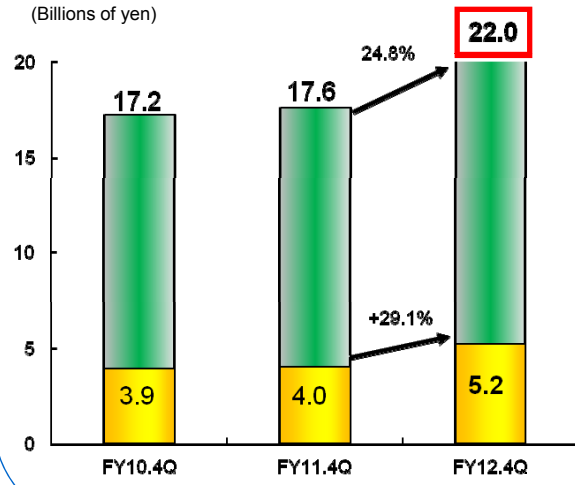
(Billions of yen)



[Reference] 4Q(3M) Annualized Premiums from New Policies

■ Annualized premiums from new policies ■ Of which, third-sector

(Billions of yen)



Line item amounts are truncated below ¥100million; percentage change figures are rounded.

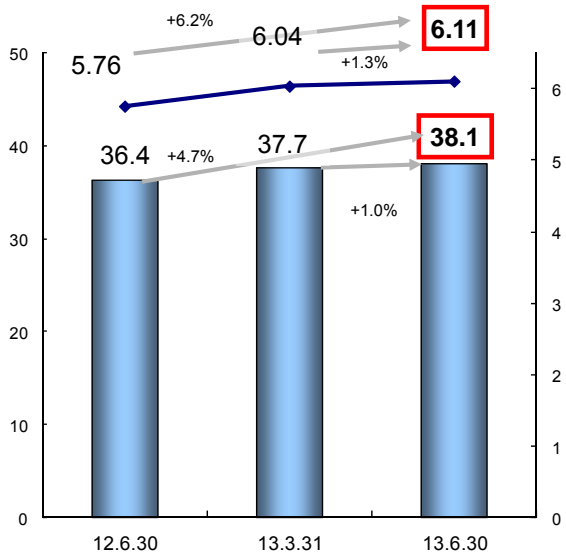
Sony Life Operating Performance (3)

Number and Amount of Policies in Force (Individual Life Insurance + Individual Annuities)

■ Policy amount in force ◆ Number of policies in force

(Trillions of yen)

(Millions of policies)

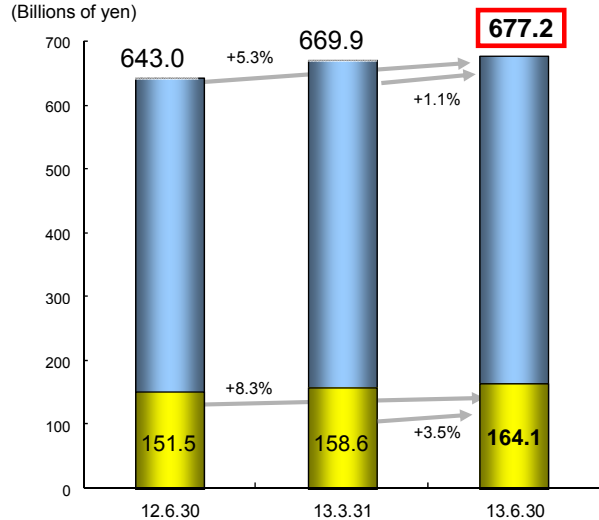


Line item amounts are truncated below ¥100 billion; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Annualized Premiums from Insurance in Force (Individual Life Insurance + Individual Annuities)

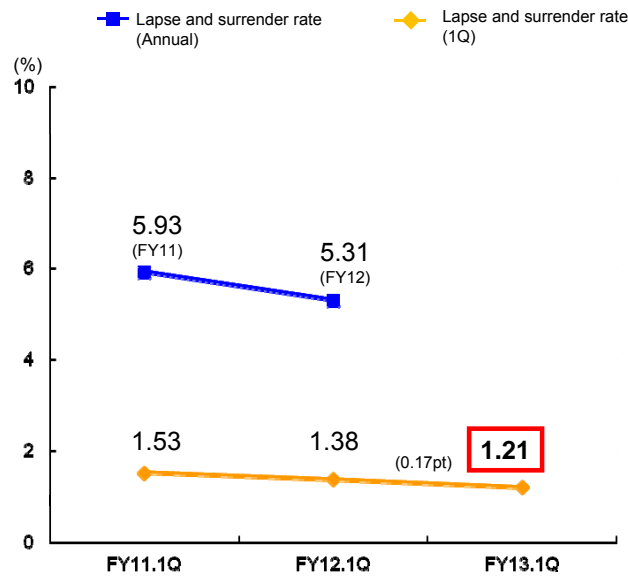
■ Annualized premiums from insurance in force ■ Of which, third-sector

(Billions of yen)



Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Lapse and Surrender Rate* (Individual Life Insurance + Individual Annuities)

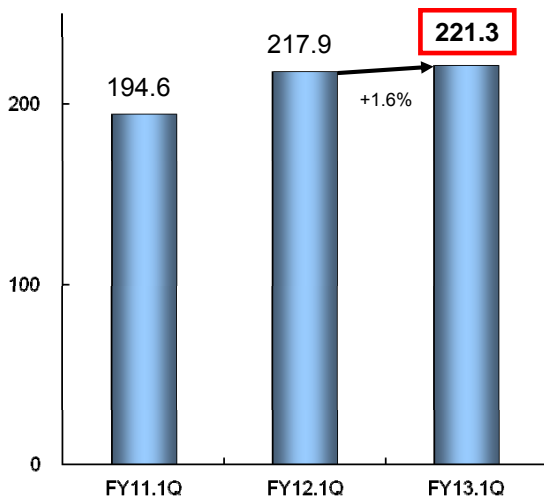


*The lapse and surrender rate shows the ratio derived by dividing the amount of lapses and surrenders, not adjusted for policy amount decreases, increases, and reinstatements, by the policy amount in force at the beginning of the fiscal year.

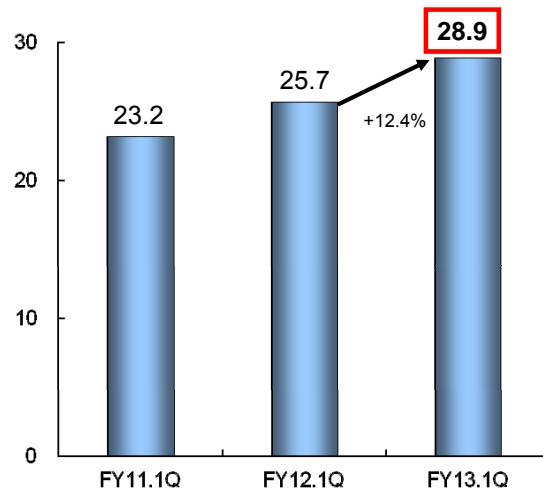
Income from Insurance Premiums

Interest Income and Dividends

(Billions of yen)



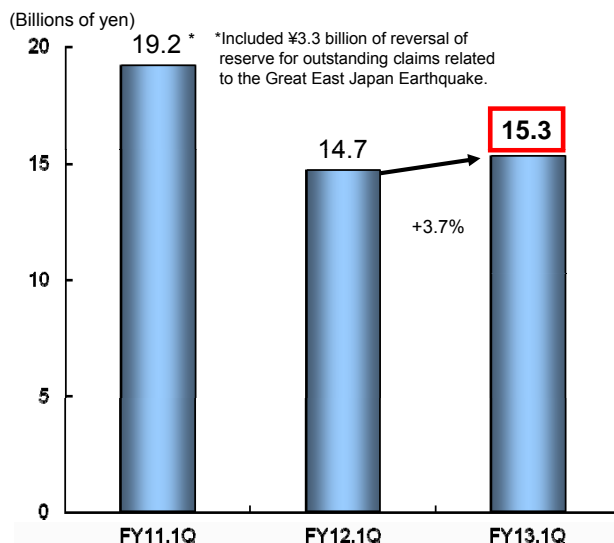
(Billions of yen)



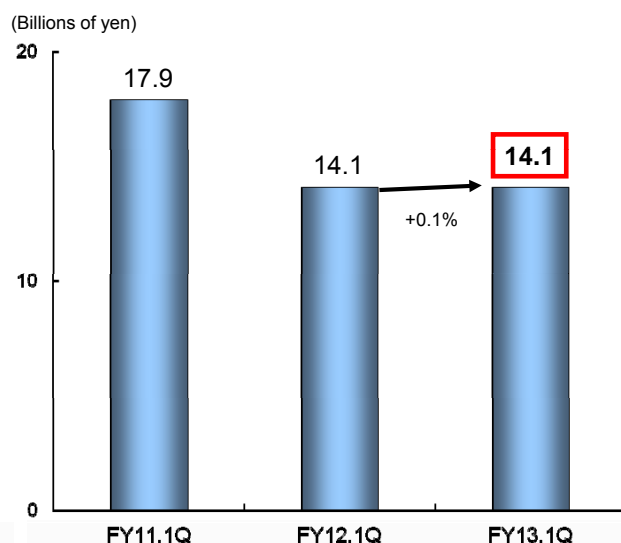
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

Sony Life Operating Performance (6)

Core Profit



Ordinary Profit



(Reference) Impact on core profit (Billions of yen)

	FY11.1Q	FY12.1Q	FY13.1Q
Positive (Negative) spread	(1.3)	(0.5)	1.2
Effects by the revision of policy reserve discount rate	0.0	0.0	(5.5)
Provision of policy reserves for minimum guarantees for variable life insurance in the general account assets	(0.8)	(4.0)	(0.9)

(Reference) Main differences from Core Profit (Billions of yen)

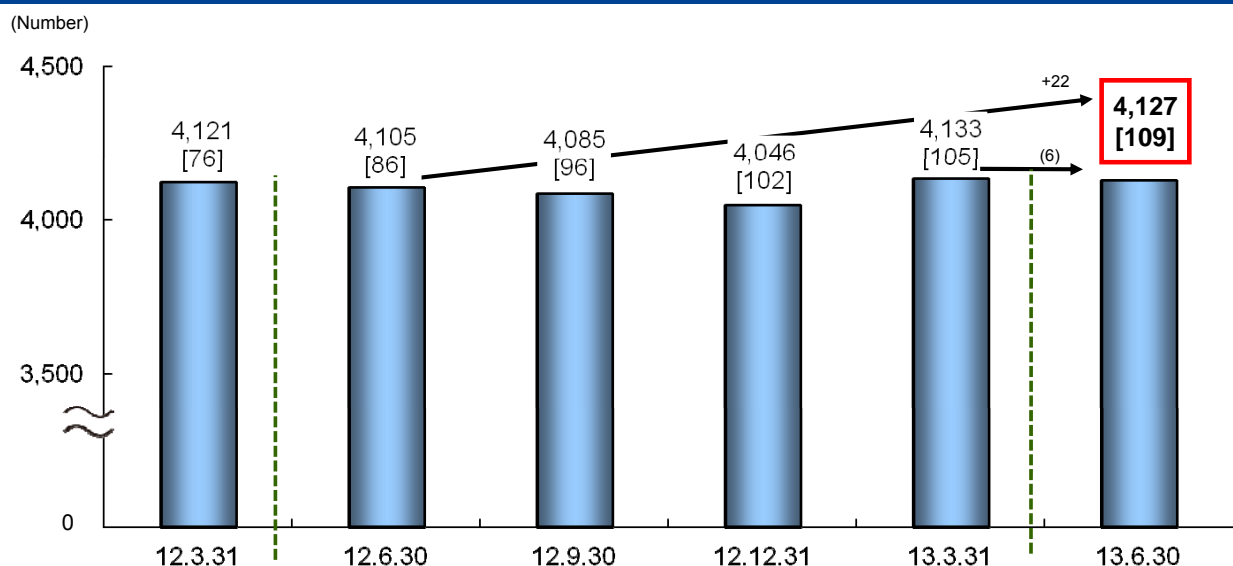
	FY11.1Q	FY12.1Q	FY13.1Q
Capital gains (losses)	(0.3)	0.4	0.0
Provision of contingency reserve	(0.8)	(0.9)	(1.0)

*Line item amounts are truncated below ¥100 million; percentage figures are rounded.

*The plus amount in negative spread indicates positive spread. "Provision of policy reserves for minimum guarantees for variable life insurance in the general account assets" and "Provision of contingency reserve" are described as negative amount.

Sony Life Operating Performance (7)

Number of Lifeplanner Sales Employees



Note: Figures in [] show the numbers of Lifeplanner sales employees (rehired on a fixed-term contract basis after retirement) included in the overall numbers, those who have reached retirement age but who continue to work as Lifeplanner sales employees that meet certain sales conditions and other requirement. From FY13.1Q, the number of contracted Lifeplanner sales employees is added to each figure in [].

* "Lifeplanner" is a registered trademark of Sony Life Insurance Co., Ltd.

Breakdown of General Account Assets

(Billions of yen)	13.3.31		13.6.30	
	Amount	%	Amount	%
Japanese government and corporate bonds	4,561.0	84.4%	4,691.9	85.5%
Japanese stocks	31.1	0.6%	34.5	0.6%
Foreign securities	62.0	1.1%	64.5	1.2%
Foreign stocks	25.4	0.5%	26.0	0.5%
Monetary trusts	306.1	5.7%	295.5	5.4%
Policy loans	145.0	2.7%	146.6	2.7%
Real estate	70.3	1.3%	67.8	1.2%
Cash and call loans	103.3	1.9%	37.8	0.7%
Others	97.7	1.8%	123.3	2.2%
Total	5,402.1	100.0%	5,488.2	100.0%

<Asset management review>

On the asset side, we lengthened the duration of securities held to match the liability characteristics of insurance policies with long-term maturities with the aim of reducing interest rate risk.

Japanese government and corporate bonds:
Continue to accumulate ultralong-term bonds in FY13



<Bond duration>

Mar. 31, 2012 19.2 years

Mar. 31, 2013 19.9 years

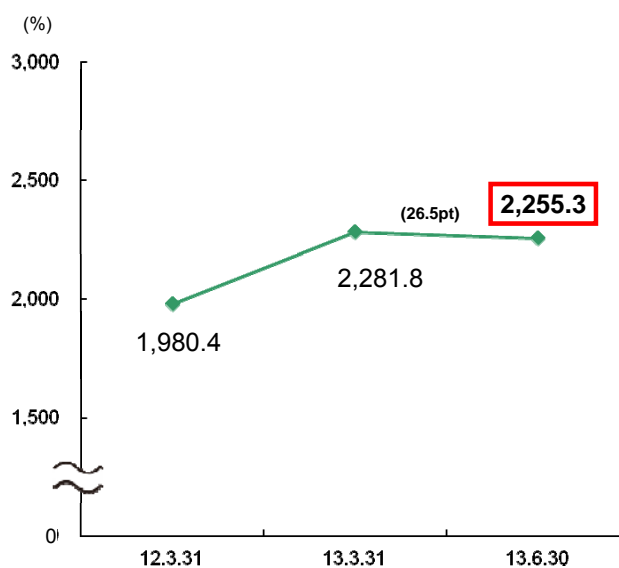
Jun. 30, 2013 19.5 years

- Investment in the monetary trusts is mainly into Japanese government and corporate bonds.
- The holding ratio on the real status, of Japanese government and corporate bonds including those invested in monetary trusts in the general account assets:

As of Jun. 30, 2013: 90.9%, (As of Mar. 31, 2013: 90.1%)

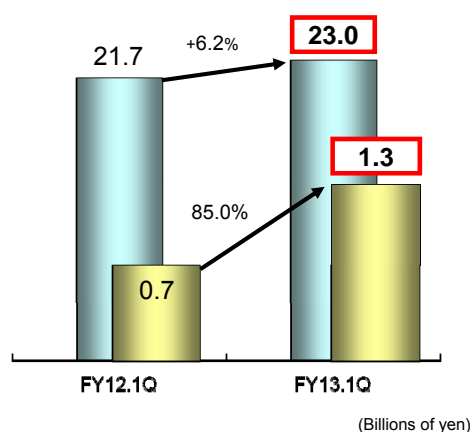
Line item amounts are truncated below ¥100 million; percentage figures are rounded.

Non-consolidated solvency Margin Ratio



Highlights of Operating Performance: Sony Assurance

□ Ordinary revenues □ Ordinary profit



- ◆ Ordinary revenues and ordinary profit increased year on year.
- ◆ Ordinary revenues increased year on year, due to an increase in net premiums written for its mainstay automobile insurance.
- ◆ Ordinary profit increased year on year due to a decline in the loss ratio led by a lower car accident ratio and the revision of premium rates for automobile insurance, in addition to the increase in ordinary revenues.

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Ordinary revenues	21.7	23.0	+1.3	+6.2%
Underwriting income	21.4	22.8	+1.3	+6.1%
Investment income	0.2	0.2	+0.0	+22.4%
Ordinary expenses	21.0	21.7	+0.7	+3.4%
Underwriting expenses	16.1	16.7	+0.5	+3.7%
Investment expenses	0.0	0.0	+0.0	-
Operating, general and administrative expenses	4.8	5.0	+0.1	+2.5%
Ordinary profit	0.7	1.3	+0.6	+85.0%
Net income	0.4	0.8	+0.4	+93.6%

(Billions of yen)	13.3.31	13.6.30	Change from 13.3.31	
Underwriting reserves	70.6	73.6	+3.0	+4.4%
Total net assets	19.9	21.1	+1.2	+6.2%
Total assets	127.4	130.8	+3.4	+2.7%

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Overview of Performance: Sony Assurance

(Billions of yen)	FY12.1Q	FY13.1Q	Change
Direct premiums written	21.2	22.4	+5.7%
Net premiums written	21.4	22.7	+5.9%
Net losses paid	11.4	11.7	+2.5%
Underwriting profit	0.4	1.0	+119.7%
Net loss ratio	59.9%	58.2%	(1.7pt)
Net expense ratio	24.5%	23.8%	(0.7pt)
Combined ratio	84.4%	82.0%	(2.4pt)

<Reasons for changes>

◆ Increased mainly in its mainstay automobile insurance.

◆ Declined due to a lower car accident ratio and the revision of premium rates for automobile insurance.

◆ Declined due to a proper control of insurance acquisition cost and a rise in automobile insurance premiums.

Notes:

Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written.

Net expense ratio = Expenses related to underwriting / Net premiums written

	13.3.31	13.6.30	Change from 13.3.31	
Number of policies in force	1.55 million	1.56 million	+0.01 million	+0.8%
Non-consolidated Solvency margin ratio	504.2%	535.5%	+31.3pt	

Note: The number of policies in force is the total of automobile insurance and medical and cancer insurance, which accounts for 99% of net premiums written.

Line item amounts are truncated below ¥ 100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Sony Assurance's Underwriting Performance by Type of Policy

Direct Premiums Written

(Millions of yen)	FY12.1Q	FY13.1Q	Change
Fire	63	55	(13.2%)
Marine	—	—	—
Personal accident*	1,931	2,044	+5.9%
Voluntary automobile	19,219	20,321	+5.7%
Compulsory automobile liability	—	—	—
Total	21,214	22,420	+5.7%

Net Premiums Written

(Millions of yen)	FY12.1Q	FY13.1Q	Change
Fire	69	74	+8.5%
Marine	42	44	+3.1%
Personal accident*	2,001	2,124	+6.1%
Voluntary automobile	19,150	20,257	+5.8%
Compulsory automobile liability	217	241	+10.8%
Total	21,481	22,741	+5.9%

*SURE, medical and cancer insurance is included in personal accident.

Net losses paid

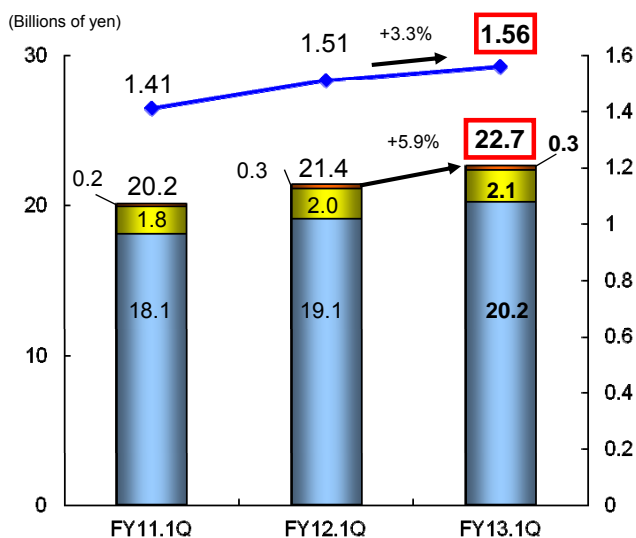
(Millions of yen)	FY12.1Q	FY13.1Q	Change
Fire	0	0	(63.1%)
Marine	122	32	(73.6%)
Personal accident*	467	463	(0.9%)
Voluntary automobile	10,631	10,994	+3.4%
Compulsory automobile liability	239	255	+6.6%
Total	11,461	11,745	+2.5%

Line item amounts are truncated below ¥ 1 million; Percentage change figures are rounded.

Sony Assurance Operating Performance (1)

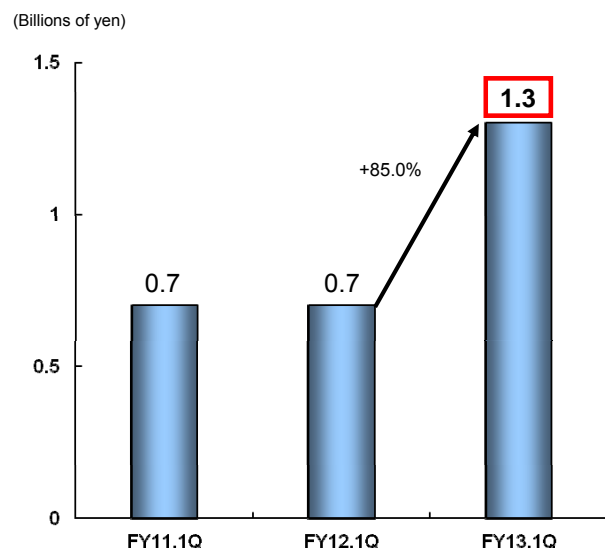
Net Premiums Written and Number of Policies in Force

■ Voluntary automobile insurance
 ■ Personal accident insurance
 ■ Others
 ◆ Number of policies in force (Millions of policies)



The number of policies in force is the total of automobile insurance and medical and cancer insurance policies, which account for 99% of net premiums written. More than 90% of personal accident insurance is medical and cancer insurance.

Ordinary Profit

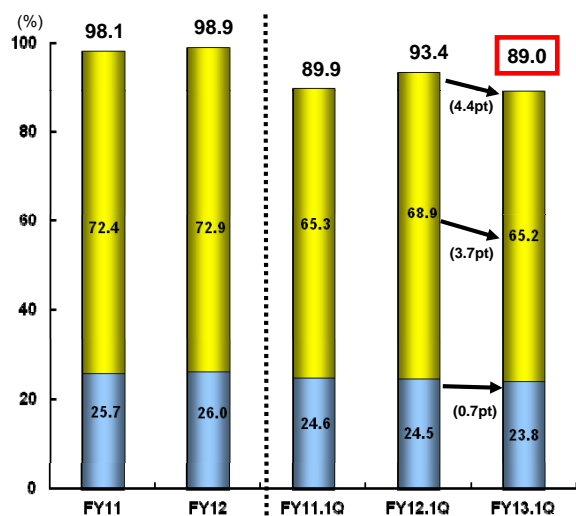


Line item amounts are truncated below ¥100 million; numbers of policies are truncated below 10,000 policies; percentage change figures are rounded.

Sony Assurance Operating Performance (2)

Earned/Incurred Loss Ratio + Net Expense Ratio

■ Earned/Incurred loss ratio ■ Net expense ratio



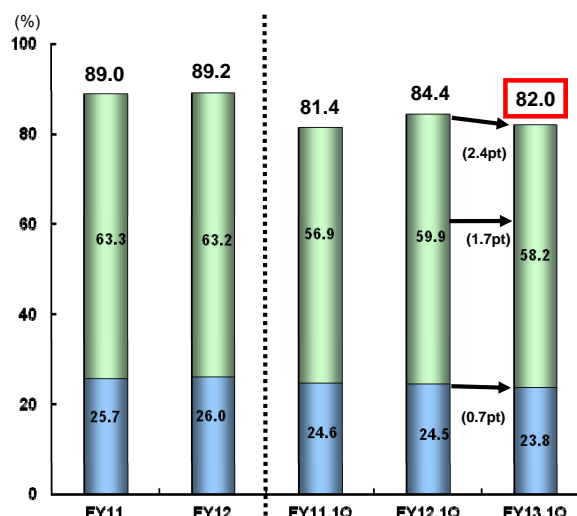
Notes:

Earned/Incurred loss ratio = (Net losses paid + Provision for reserve for outstanding losses + Loss adjustment expenses) / Earned premiums

[Earthquake insurance and compulsory automobile liability insurance are excluded from the above calculation.]

(Reference) Combined Ratio (Net Loss Ratio + Net Expense Ratio)

■ Net loss ratio ■ Net expense ratio



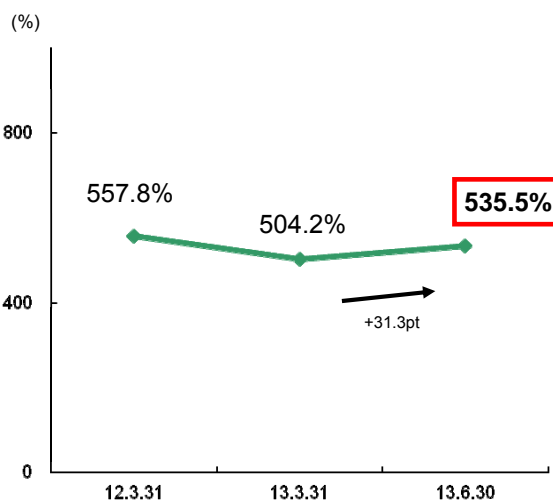
Notes:

Net loss ratio = (Net losses paid + Loss adjustment expenses) / Net premiums written

Net expense ratio = Expenses related to underwriting / Net premiums written

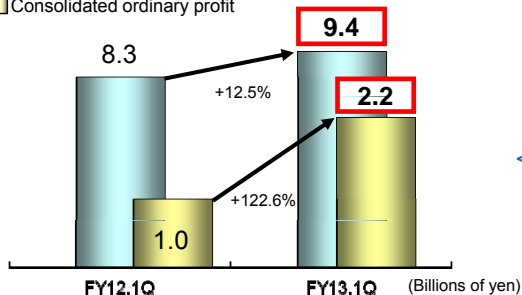
Sony Assurance Operating Performance (3)

Non-consolidated solvency Margin Ratio



Highlights of Operating Performance: Sony Bank (Consolidated/Non-consolidated)

■ Consolidated ordinary revenues
■ Consolidated ordinary profit



<Consolidated>

◆ Consolidated ordinary revenues and ordinary profit increased year on year due to a rise in interest income on loans led by the growing balance of mortgage loans and higher gains on foreign exchange transactions stemming from customers' active foreign currency trading. On the other hand, consolidated net income remained at the same levels as FY12.1Q in which a profit was recorded due to the tax effect of recording deferred tax assets on the transfer of all shares of Sony Bank Securities.

<Non-consolidated>

◆ Both gross operating profit and net operating profit increased year on year.
-Net interest income increased owing to a rise in interest income on loans led by a growing balance of mortgage loans, and a decrease in interest expenses.
-Net other operating income increased due to an increase in profit stemming from improved investment performance, including valuation gains on derivatives, net held for hedging interest rate risk on mortgage loans and other assets, in addition to higher gains on foreign exchange transactions stemming from customers' active foreign currency trading.
◆ Net income turned into a profit of ¥1.4 billion due to recording valuation losses on the shares of Sony Bank Securities in FY12.1Q.

<Consolidated>

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Consolidated ordinary revenues	8.3	9.4	+1.0	+12.5%
Consolidated ordinary profit	1.0	2.2	+1.2	+122.6%
Consolidated net income	1.4	1.4	(0.0)	(1.4%)

<Non-consolidated>

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Ordinary revenues	7.5	8.7	+1.2	+17.1%
Gross operating profit	4.4	5.9	+1.4	+33.4%
Net interest income	4.0	5.0	+0.9	+23.5%
Net fees and commissions	0.0	(0.0)	(0.0)	—
Net other operating income	0.3	0.9	+0.5	+181.3%
General and administrative expenses	3.5	3.6	+0.1	+3.4%
Net operating profit	0.9	2.2	+1.3	+148.9%
Ordinary profit	0.8	2.2	+1.4	+162.2%
Net income (loss)	(1.2)	1.4	+2.6	—

(Billions of yen)	13.3.31	13.6.30	Change from 13.3.31	
Total net assets	67.8	68.6	+0.8	+1.2%
Net unrealized gains on other securities, net of taxes	6.5	5.3	(1.1)	(17.5%)
Total assets	2,005.0	2,000.0	(5.0)	(0.3%)

Line item amounts are truncated below ¥100 million except for net fees and commissions; percentage change figures are rounded.

Overview of Performance: Sony Bank (Non-consolidated) (1)

(Billions of yen)	12.6.30	13.3.31	13.6.30	Change from 13.3.31	
Customer assets	1,868.0	1,974.3	1,965.6	(8.7)	(0.4%)
Deposits	1,767.2	1,857.4	1,849.0	(8.3)	(0.4%)
Yen	1,401.8	1,467.2	1,466.9	(0.2)	(0.0%)
Foreign currency	365.4	390.2	382.1	(8.0)	(2.1%)
Investment trusts	100.8	116.9	116.5	(0.3)	(0.3%)
Loans outstanding	866.4	970.2	989.1	+18.9	+2.0%
Mortgage loans	774.4	860.3	878.1	+17.8	+2.1%
Others	92.0	109.8	^(*) 111.0	+1.1	+1.0%
Capital adequacy ratio (domestic criteria) ⁽²⁾	11.29%	11.98%	11.89%	(0.09pt)	
Tier 1 ratio	9.36%	8.85%	9.04%	+0.19pt	

<Reasons for changes>

- ◆ Yen deposit balance remained at the same levels because interest rates were at unattractively low levels, despite a positive effect on customer assets of converting from foreign currencies to yen backed by yen depreciation.
- ◆ Foreign currency deposit balance decreased due to a negative impact from converting more foreign currencies into yen, despite a positive impact from customers' active foreign currency trading led by yen depreciation.
- ◆ Loan balance increased due an increase in the balance of mortgage loans.

*1 Loans in others include corporate loans of ¥104.7billion.

*2 Please refer to the graph of the non-consolidated capital adequacy ratio (domestic criteria) on P27.

Overview of Performance: Sony Bank (Non-consolidated) (2)

<Reference> On Managerial Accounting Basis

(Billions of yen)	FY12.1Q	FY13.1Q	Change	
Gross operating profit	4.4	5.9	+1.4	+33.4%
Net interest income *1①	4.2	4.5	+0.3	9.2%
Net fees and commissions *2②	0.1	0.4	+0.2	+119.3%
Net other operating income *3③	0.0	0.8	+0.8	—
Gross operating profit (core profit) (A) = ①+②	4.3	5.0	+0.6	+14.1%
Operating expenses and other expenses ③	3.5	3.5	+0.0	+1.6%
Net operating profit (core profit) = (A)-③	0.8	1.4	+0.5	+63.8%

● Managerial accounting basis

The following adjustments are made to the figures on a financial accounting basis to account for profits and losses more appropriately.

*1: Net interest income: Includes profits and losses associated with fund investment recorded in net other operating income, including gains or losses from currency swap transactions.

*2: Net fees and commissions: Includes profits and losses for customer dealings in foreign currency transactions recorded in net other operating income.

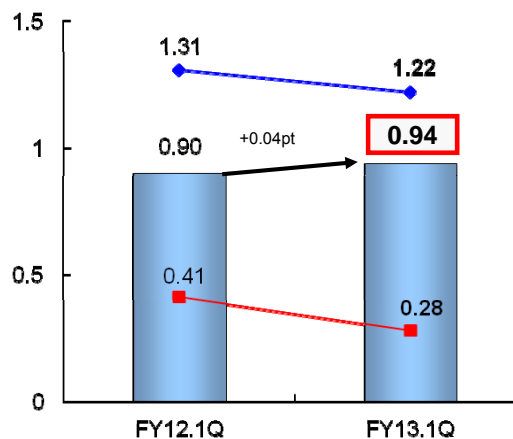
*3: Net other operating income: After the above adjustments (*1 and *2), consists of profits and losses for bond and derivative dealing transactions.

● Core profit

Profits and losses exclude net other operating income, which includes those on bond and derivative dealing transactions, and stands for Sony Bank's basic profits.

<Reference> Interest Spread (Managerial Accounting Basis)

◆ Yield on investment ■ Yield on financing
■ Interest spread (%)



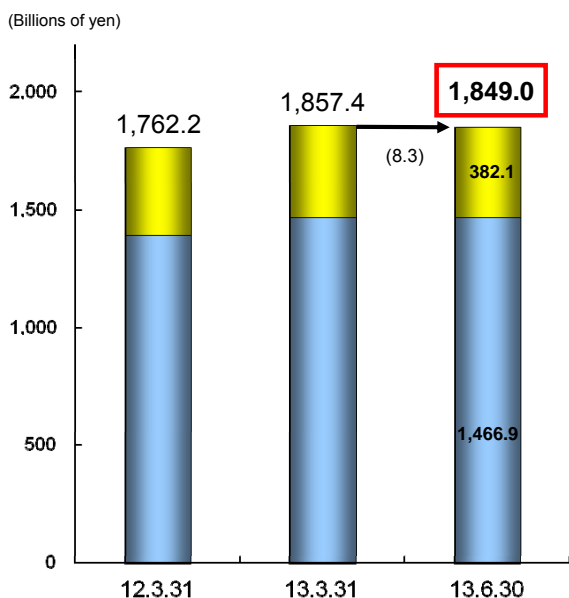
Note: Interest spread=(Yield on investment)-(Yield on financing)

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Operating Performance: Sony Bank (Non-consolidated) (1)

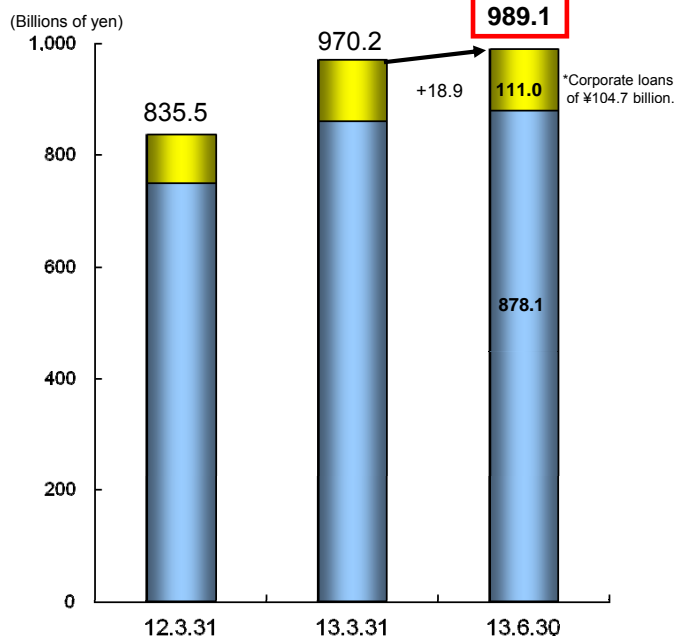
Deposits

■ Yen deposits ■ Foreign currency deposits



Loans

■ Mortgage loans ■ Others



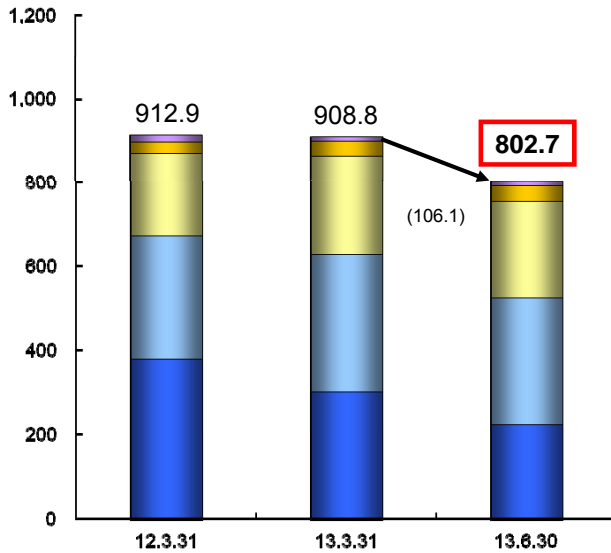
Line item amounts are truncated below ¥100 million.

Operating Performance: Sony Bank (Non-consolidated) (2)

Balance of Securities by Credit Ratings

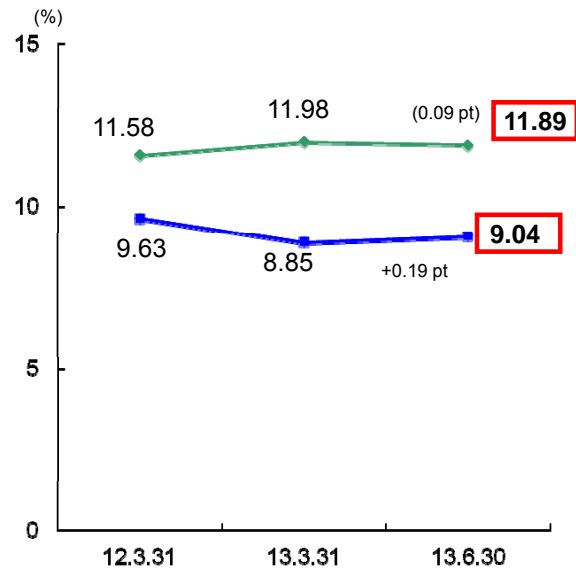
■ AAA ■ AA ■ A
■ BBB ■ Others

(Billions of yen)



Non-Consolidated Capital Adequacy Ratio (Domestic Criteria)

◆ Capital adequacy ratio ◆ Tier1 ratio



*Calculated based on the standard FSA Notification No. 19 2006), which establishes standards based on Article 14-2 of the banking Act of Japan for determining the capital adequacy of a bank in light of the assets held by the bank.

Amounts are truncated below ¥100 million.

Consolidated Financial Forecast for the Year Ending March 31, 2014

Consolidated Financial Forecast for the Year Ending March 31, 2014

■ SFH's forecast of consolidated financial results for FY2013 is unchanged from the forecast announced on May 9, 2013.

(Billions of yen)	FY12 (Actual)	FY13 (Forecast)	Change
Consolidated ordinary revenues	1,259.0	1,222.0	(2.9%)
Life insurance business	1,142.3	1,099.9	(3.7%)
Non-life insurance business	84.7	88.5	+4.5%
Banking business	34.3	34.0	(0.9%)
Consolidated ordinary profit	79.2	69.0	(12.9%)
Life insurance business	72.7	61.4	(15.5%)
Non-life insurance business	2.3	3.0	+30.4%
Banking business	3.9	4.3	+10.3%
Consolidated net income	45.0	37.0	(17.9%)

■ **Life insurance business**

Ordinary revenues are expected to decrease year on year, because we do not expect such an increase in investment income on separate account due to the market recovery as recorded in the previous fiscal year, although we expect higher income from insurance premiums. Ordinary profit is expected to decrease, since we do not expect such a reversal of policy reserves related to minimum guarantees for variable life insurance policies as recorded in the previous fiscal year. We also expect provision for policy reserves to increase reflecting a revision of discount rate used for calculating policy reserves.

■ **Non-life insurance business**

Ordinary revenues are expected to increase year on year, owing to an increase in net premiums written, primarily for automobile insurance. Ordinary profit is expected to increase because we expect higher revenues and lower loss ratio.

■ **Banking Business**

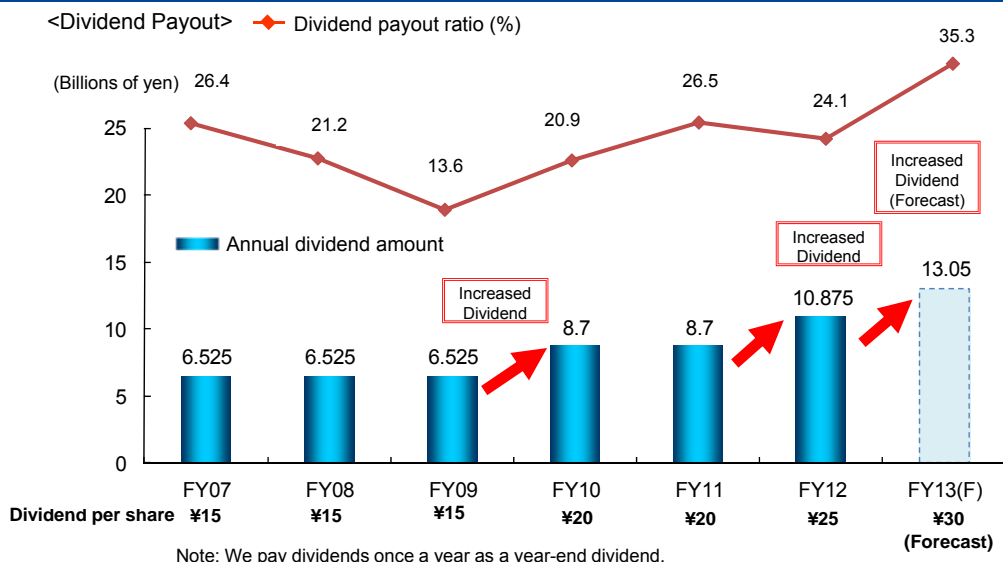
Ordinary revenues are expected to decrease year on year, owing mainly to a decrease in revenues in SmartLink Networks, despite an increase in interest income on loans led by a growing balance of mortgage loans. Ordinary profit is expected to rise, mainly because we anticipate a steady increase in gross operating profit, driven by business expansion.

Line item amounts are truncated below ¥100 million; percentage change figures are rounded.

Revision of Dividend Forecast for the Year Ending March 31, 2014

Revision of Dividend Forecast for the Year Ending March 31, 2014

- We revise the year-end per-share dividend forecast for FY2013 from ¥25 to ¥30, following the dividend increase for the prior fiscal year, after updating the recent business environment, business performance, and other factors.
- Our mid-term target for the dividend payout ratio is 30% to 40% of consolidated net income. Going forward, we will steadily raise dividend amount, taking into account management environment.



Sony Life's MCEV and Risk Amount Based on Economic Value as of June 30, 2013

Sony Life's MCEV as of June 30, 2013

	(Billions of yen)	13.3.31	13.6.30	Change from 13.3.31
MCEV		1,064.7	1,149.9	+85.2
Adjusted net worth		770.8	572.5	(198.3)
Value of existing business		293.9	577.4	+283.5

Notes:

1. Calculated MCEV for policies in force as of June 30, 2013 by using updated lapse and surrender rate and economic assumptions.
2. Adopted simplified method for a part of MCEV calculations as of June 30, 2013.

- ◆ **MCEV increased because an increase in value of existing business offset a significant decrease in adjusted net worth due mainly to a decrease in unrealized gains on held-to-maturity securities in line with higher interest rates in the ultra-long term.**
- ◆ **New business value (new business margin) for 12 months ended March 31, 2013 was ¥41.6 billion (3.5%) while that for 3 months ended June 30, 2013 was ¥17.1 billion (6.5%). New business margin rose due mainly to higher interest rates in the ultra-long term and the revision of Sony Life's insurance premium rates on some of its products in April 2013.**

(*) New business margin equals new business value divided by present value of premium income.

* Please keep in mind that the validity of these calculations has not been verified by outside specialists.

Sony Life's Risk Amount Based on Economic Value as of June 30, 2013

	(Billions of yen)	13.3.31	13.6.30
Insurance risk		605.6	597.2
Market-related risk		289.9	234.5
<i>Of which, interest rate risk*</i>		234.2	175.4
Operational risk		26.0	25.0
Counter party risk		2.3	1.7
Variance effect		(262.5)	(241.3)
The risk amount based on economic value		661.3	617.0

	(Billions of yen)	13.3.31	13.6.30
MCEV		1,064.7	1,149.9

(*) Interest amount excluding the variance effect within market-related risk.

- ◆ **Maintained capital adequacy by controlling market-related risk.**

Notes

1. The risk amount based on economic value refers to the total amount of Sony Life's risks, comprehensively examined and including insurance risk and market-related risk.
2. The solvency risk capital on an economic value basis is calibrated at VaR (99.5) over one year and based on the internal model, which is a similar but modified model based on the EU Solvency II (QIS5) standard method.

* Please keep in mind that the validity of these calculations has not been verified by outside specialists.

Appendix

Recent Topics 1

AEGON Sony Life Insurance's Sales Update



Launch of sales: December 1, 2009

Common stock: ¥20 billion (including capital surplus of ¥10 billion)

Equity ownership: Sony Life insurance Co., Ltd. 50%, AEGON international B.V. 50%

Marketing products: Individual Variable Annuities (3 types, 4 products*)

Sales Channels: Lifeplanner sales employees and partner Banks (12*) *As of Aug. 12, 2013

<Financial Highlights for FY13.1Q> Number of new policies: 6,812 (+5,737 from FY12.1Q)

New policy amount: ¥39.6 billion (+¥32.1 billion from FY12.1Q)

<As of June 30, 2013> Number of policies in force: 16,762 (+12,036 from June 30, 2012)

Policy amount in force: ¥113.3billion (+76.5 billion from June 30, 2012)

Line item amounts are truncated below ¥100 million.

Sony Bank's Mortgage Loans through Sony Life

■ Sony Life accounts for 25% of the balance of mortgage loans as of June 30, 2013



Sony Life accounts for 22% of the amount of new mortgage loans for FY13.1Q

*Sony Life started handling banking agency business in January 2008.

Sony Assurance's Auto Insurance Sold by Sony Life



■ Sony Life accounts for approx. 5% of new automobile policies for FY13.1Q

* Sony Life started handling automobile insurance in May 2001.

*Lifeplanner is a registered trademark of Sony Life Insurance Co., Ltd.

<Highlight for FY2013.1Q>

2013-7-29	Sony Bank started accepting an account application form for Nippon Individual Savings Account (tax-free), called NISA.
2013-6-25	Sony Bank opened its official account on social media sites.
2013-5-02	Sony Life commenced sale of a new product: "U.S. Dollar Denominated Insurance."
2013-5-01	Sony Bank set service charge free on inward foreign currency remittances.
2013-4-02	Sony Life revised insurance premium rates on some of its products in line with the reduction in discount rate used for calculating policy reserves.
2013-4-01	Sony Assurance revised its automobile insurance policy details. (including an increased discount of ¥8,000 for new customers who conclude contracts on line, introduction of new non-fleet driver rating system and the revision on automobile insurance premium rates.)

Sony Life: Fair Value Information on Securities (General Account Assets)

Fair Value Information on Securities

Fair value information on securities with market value (except trading-purpose securities) (Billions of yen)

	12.3.31			13.3.31			13.6.30		
	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)	Carrying amount	Fair value	Net unrealized gains (losses)
Held-to-maturity securities	3,404.8	3,560.6	155.8	3,874.2	4,425.9	551.7	4,012.9	4,312.3	299.4
Available-for-sale securities	895.1	956.1	60.9	955.9	1,079.2	123.2	978.4	1,067.4	88.9
Japanese government and corporate bonds	849.1	902.6	53.4	925.3	1,036.9	111.6	944.3	1,020.7	76.3
Japanese stocks	29.1	34.9	5.8	14.7	20.9	6.2	16.2	24.4	8.1
Foreign securities	15.3	16.7	1.3	14.4	18.6	4.2	16.3	19.9	3.6
Other securities	1.4	1.7	0.2	1.4	2.6	1.1	1.4	2.2	0.7
Total	4,299.9	4,516.8	216.8	4,830.2	5,505.2	675.0	4,991.3	5,379.7	388.3

Valuation gains (losses) on trading-purpose securities (Billions of yen)

12.3.31		13.3.31		13.6.30	
Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income	Balance sheet amount	Net valuation gains (losses) recorded in income
-	-	-	-	-	-

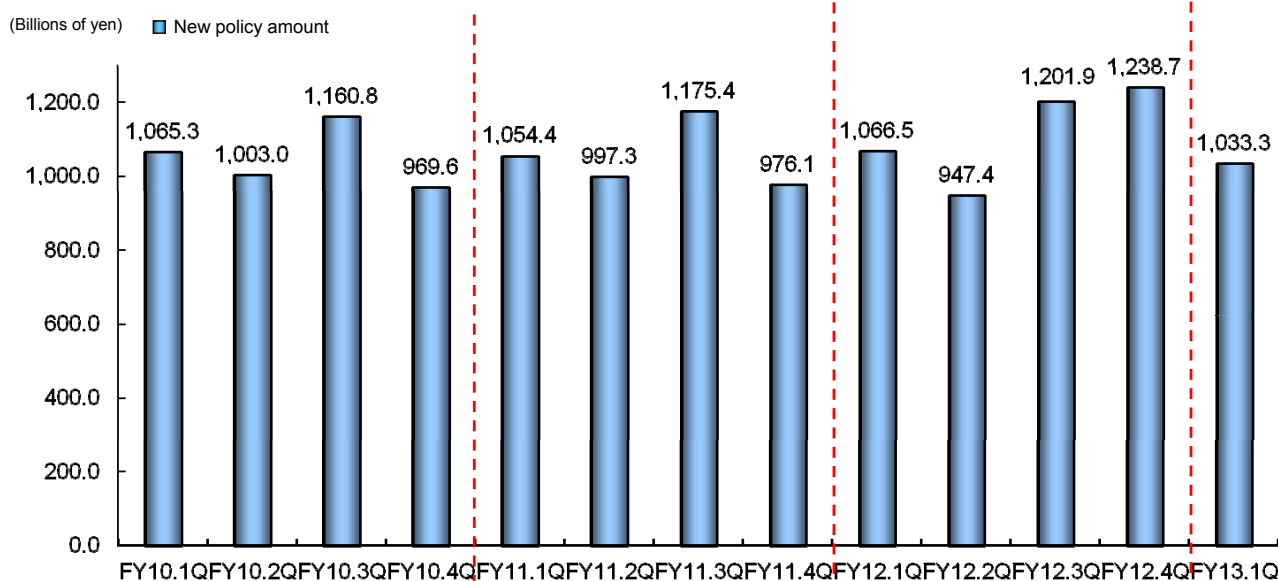
Notes: 1) Line item amounts are truncated below ¥100 million. 2) Amounts above include those categorized as "monetary trusts."

(Millions of yen)	FY12.1Q	FY13.1Q	Change
Cash and deposits	0	0	(65.3%)
Japanese government and corporate bonds	20,828	23,649	+13.5%
Japanese stocks	68	48	(30.1%)
Foreign securities	697	1,253	+79.6%
Other securities	78	11	(85.5%)
Loans	1,342	1,394	+3.9%
Real estate	2,710	2,560	(5.5%)
Others	8	10	+18.2%
Total	25,735	28,926	+12.4%

Line item amounts are truncated below ¥1 million

Sony Life's Quarterly Trend on New Policies Amount

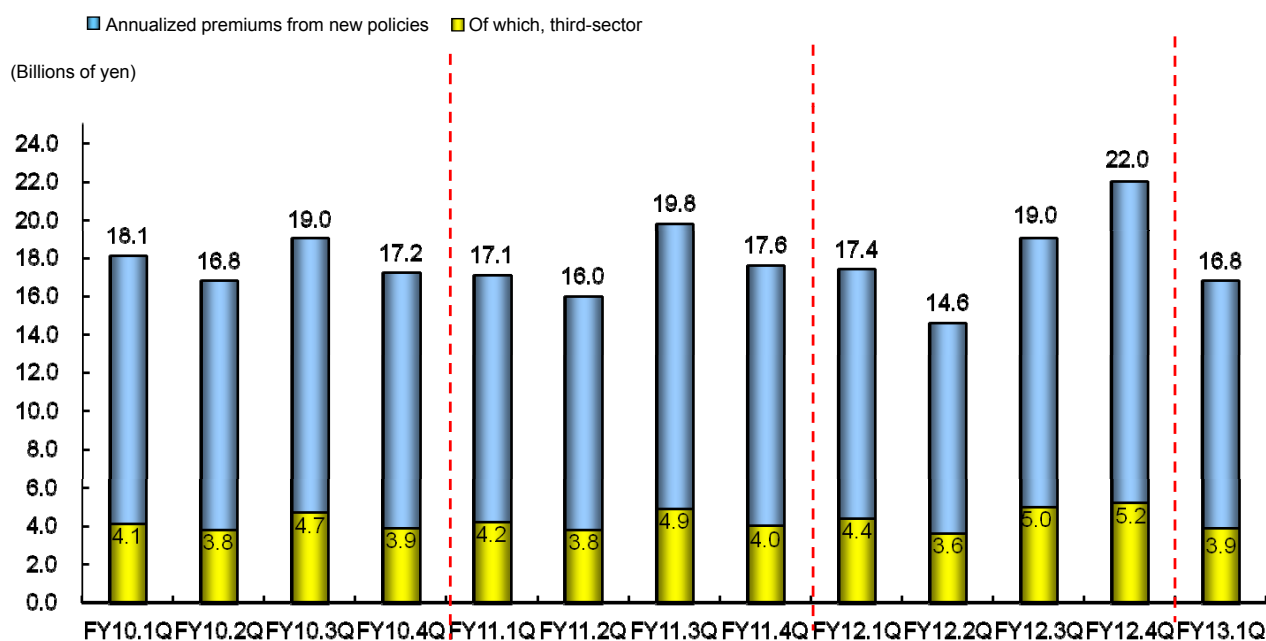
Quarterly trend on New Policies Amount



Line item amounts are truncated below ¥100 million;

Sony Life's Quarterly Trend on Annualized Premiums from New Policies

Quarterly trend on Annualized Premiums from New Policies



Method of Measuring Risk Amount Based on Economic Value (1)

■ Market-related Risk

	Sony Life	(Reference) EU Solvency II (QIS5)
Interest rate risk Fluctuations in net asset value based on economic value in response to the shocks in the right columns. The same applies below.	Foreign currencies' interest rate up 1.33x–10.39x (differs each currency and each year) Yen's interest rate down 0.07x–0.67x but <u>no lower than 1%</u>	Interest rate up 1.25x–1.70x Interest rate down 0.25x–0.73x but <u>no lower than 1%</u>
Equity risk	Listed equities and REIT 45% decline Unlisted equities 55% Other securities 70% Subsidiaries, affiliated companies and strategic investment 100%	Global 30% Others 40% (Note 2)
Real estate risk	Actual real estate 25%	Same as on the left
Credit risk	Credit risk = (market value) x (risk coefficient for each credit rating) x adjusted duration Note that adjusted durations have caps and floors, depending on credit ratings. (Example) Rating A: Risk coefficient (1.4%), cap (23), floor (1)	Same as on the left
Currency risk	30% downside fluctuation	25% downside fluctuation

Notes

1. Principal items as of June 30, 2013.

Market-related risk quantification follows the QIS5 approach in principle. However, Sony Life modified it to make it more suitable to Japanese market by adapting the past and latest data of the market which is different from the method prescribed in QIS5.

2. Standard risk coefficients are global: 39%/other: 49%. Symmetric adjustment (an adjustment of ±10% of the average value of the stock price index during a defined period in the past) is applied; as of the QIS5 trial introduction (December 31, 2009), these were 30%/40%.

Method of Measuring Risk Amount Based on Economic Value (2)

■ Insurance Risk

	Sony Life	(Reference) EU Solvency II (QIS5)
Mortality risk	Mortality rate increases by 15% for each year elapsed	Same as on the left
Longevity risk	Mortality rate decreases by 20% for each year elapsed	Same as on the left
Lapse risk	<p>The largest amount of these*;</p> <ul style="list-style-type: none"> ▪ Lapse rate increases by 50% for each year elapsed ▪ Lapse rate decreases by 50% for each year elapsed ▪ 30% of policies on which surrender value is in excess of best estimate liability are immediately surrendered 	<p>The largest amount of these;</p> <ul style="list-style-type: none"> ▪ Increase by 50% in the assumed rates of lapsation for Life module, 20% for Health module ▪ Decrease by 50% in the assumed rates of lapsation for Life module, 20% for Health module ▪ 30% of policies (70% for group annuities, etc.) on which surrender value is in excess of best estimate liability are immediately surrendered
Expense risk	<p>Operating expenses increase by 10% for each year elapsed</p> <p>Rate of inflation rises by 1%</p>	Same as on the left
Disability risk	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter	Rate of occurrence increases by 35% in the first fiscal year, rising by 25% for each year thereafter. Recovery rate decreases by 20%.

* At Sony Life, lapse risk is calculated by computing and adding together the largest amount of three options for each insurance policy.



Contact: Corporate Communications & Investor Relations Department
Sony Financial Holdings Inc.

TEL: +81-3-5785-1074